

**Amendment No. 2 to SB3328**

**Henry  
Signature of Sponsor**

**AMEND Senate Bill No. 3328**

**House Bill No. 3399\***

**FILED**

Date \_\_\_\_\_

Time \_\_\_\_\_

Clerk \_\_\_\_\_

Comm. Amdt. \_\_\_\_\_

by deleting all language after the enacting clause and by substituting instead the following:

**SECTION 1.**

(a) Tennessee Code Annotated, Section 7-88-103(1), is amended by deleting the language "In the event the state rate for sales and use tax should change" from the second sentence and substituting instead the language "In the event the state rate for sales and use tax should increase".

(b) Tennessee Code Annotated, Section 7-88-103(1), is further amended by inserting the language "the increase in the state rate for sales and use tax shall not be used for the purpose set forth in this chapter. In the event the state rate for sales and use tax should decrease during the period any municipality is receiving an apportionment pursuant to this chapter," immediately following the language "an apportionment pursuant to this chapter," in the second sentence of the subdivision.

**SECTION 2.**

(a) Tennessee Code Annotated, Section 7-88-103(7), is amended by deleting the language "'Qualified public use facility' includes any building, complex, center, facility, or other structure" at the beginning of the first sentence of the subdivision and substituting instead the language "'Qualified public use facility' includes any building, complex, center or facility".

(b) Tennessee Code Annotated, Section 7-88-103(7), is further amended by deleting the language "twenty five million dollars (\$25, 000,000)" from the first sentence and substituting instead the language "fifty million dollars (\$50,000,000)".

(c) Tennessee Code Annotated, Section 7-88-103(7), is further amended by deleting the second sentence in its entirety and by substituting instead the language "'Qualified public use facility' also includes 'qualified associated development';".

SECTION 3. Tennessee Code Annotated, Section 7-88-103(9), is amended by adding the following new sentence immediately following the last sentence of the subdivision:

The department, in its sole discretion, can reduce or reconfigure a tourism development zone proposed by a municipality.

SECTION 4. Tennessee Code Annotated, Section 7-88-103(3), is amended by deleting the subdivision in its entirety and by renumbering the remaining subdivisions accordingly.

SECTION 5. Tennessee Code Annotated, Section 7-88-103, is amended by adding the following as a new subdivision (6) and by renumbering subsequent subdivisions accordingly:

(6) "Qualified associated development" means parks, plazas, sidewalks, accessways, roads, drives, bridges, ramps, landscaping, signage, parking lots, parking structures attached to or located in the qualified public use facility and other public improvements constructed or renovated by the municipality or the public building authority in connection with the public use facility and related infrastructure and utility improvements for public or private peripheral development included in a master development plan for the tourism development zone and which is constructed, renovated or installed by the municipality or the public authority. The total costs of the qualified associated development must not exceed thirty percent (30%) of the costs of the entire qualified public use facility. Qualified associated development, except for public utility

improvements (water, sewer, electricity, or gas) associated with the qualified public use facility, must be located within one and one half (1½) miles of the qualified public use facility;

SECTION 6. Tennessee Code Annotated, Section 7-88-105, is amended by deleting the section in its entirety and by substituting instead the following language:

A tourism development zone shall not extend farther than one (1) mile from the outer perimeter of a qualified public use facility. However, if the department of finance and administration determines that the geographical configuration of a municipality requires an unusually shaped tourism development zone, such zone may extend farther than one (1) mile from the outer perimeter of a qualified public use facility, except that the size of the tourism development zone shall not exceed three square miles (3 sq. mi.).

SECTION 7. Tennessee Code Annotated, Section 7-88-106(a), is amended by inserting the language “excluding any increase in the state rate for sales and use tax” in the first sentence immediately following the language “in excess of base tax revenues” at the end of the first sentence.

SECTION 8. Tennessee Code Annotated, Section 7-88-106(b), is amended by inserting the language “and shall apply to only one (1) tourism development zone per municipality” immediately following the language “any indebtedness related thereto” at the end of the first sentence.

SECTION 9. Tennessee Code Annotated, Section 7-88-108, is amended by adding a new subsection (e) as follows:

(e) A facility will be deemed to be “open for public use” for purposes of subsection (d) if:

(1) Financing is in place and debt service payments by the municipality or public authority have commenced;

(2) A significant part or component of the qualified public use facility, as defined in § 7-88-103(7), has been completed and is open to the public;

(3) The municipality or public authority is making reasonable progress on the unfinished portion of the qualified public use facility; and

(4) All other provisions of this chapter have been complied with.

SECTION 10. This act shall become effective upon becoming a law, the public welfare requiring it.